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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board **January 1988**

STOCK MARKET PLUNGE DAMPENS BUT DOES NOT ERASE THE CONTINUING ECONOMIC EXPANSION

——New Korean Data Robust

Summary

Worldwide, with data for all countries available through October, the effects of the stock market crash are *partially* reflected in the leading indexes shown in this report. Thus far, none of the growth rates has turned negative, which means that the latest reading for each composite leading index remains above its average level during the previous twelve months. This is also true for the performance indexes, except Italy where weakness appeared last summer.

Regionally, the leading indexes for the Pacific-area countries continue to advance at a far more robust pace than the rest of the world.

Nationally, the main story this month is South Korea, for which new indexes are introduced in this issue. With a 13% growth rate in its performance index, the Korean economy is at the head of the growth parade by an impressive margin, and the strength of its leading index suggests this rapid pace of advance will continue.

Interpretation: What we know at this point about November data suggests that stock prices will, by themselves, pull down the leading indexes in most countries (as happened in the U.S. and Taiwan). The available November figures for other early moving economic indicators show some negatives, but it is still too soon to know whether the weakness is widespread.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Ten countries	3	3	4	5	12	11	7	Expansion continuing	Oct.
9 countries excl. U.S.	3	3	5	5	13	13	10	Expansion continuing, leaders strong	Oct.
North America (2)	3	3	4	5	9	9	4	Expansion continuing	Oct.
Europe (4)	2	4	4	5	5	5	3	Expansion continuing	Oct.
Pacific Region (4)	4	3	6	6	27	26	20	Expansion continuing, leaders strong	Oct.
United States	3	3	4	4	7	10	1	Expansion continuing, leaders weak	Nov.
Canada	3	5	5	7	6	5	2	Expansion continuing	Oct.
West Germany	2	2	3	3	5	6	4	Expansion continuing	Nov./Oct.
France	2	4	5	5	8	6	1	Expansion continuing, leaders weak	Oct.
United Kingdom	2	5	7	7	4	4	5	Expansion continuing	Oct.
Italy	2	1	2	-3	5	4	1	Expansion stalling, leaders weak	Aug./Oct.
Japan	4	2	4	6	30	29	22	Expansion continuing, leaders strong	Oct.
Australia	3	5	10	5	12	12	5	Expansion continuing	Oct.
Taiwan, R.O.C.	8	11	13	8	17	16	13	Expansion continuing, leaders strong	Nov.
Korea, R.O.K.	7	13	12	13	15	16	20	Expansion continuing, leaders strong	Oct.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1986-87

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Mar.	86	113	116	113	113	112	119	106	112	124	115
Apr.	86	113	117	114	114	113	121	107	112	124	117
May	86	113	117	114	115	113	120	107	113	125	118
June	86	114	118	114	115	113	121	107	113	125	119
July	86	114	118	115	115	113	122	108	113	125	119
Aug.	86	114	118	115	115	113	122	108	113	125	120
Sept.	86	114	119	115	117	114	122	108	113	126	122
Oct.	86	115	120	116	117	114	122	108	114	127	124
Nov.	86	115	119	116	118	114	121	109	114	126	126
Dec.	86	115	121	116	119	115	124	109	114	127	128
Jan.	87	115	122	117	120	114	124	109	114	128	130
Feb.	87	116	124	117	121	116	127	109	116	128	131
Mar.	87	116	125	117	123	116	128	109	116	129	136
Apr.	87	116	127	117	126	116	129	110	117	128	141
May	87	116	128	117	127	115	128	110	117	128	145
June	87	117	130	118	129	116	130	111	118	130	149
July	87	118	130	119	129	117	131	111	118	131	148
Aug.	87	118	131	119	130	118	132	111	118	131	150
Sept.	87	119	132	120	131	118	132	112	118	133	152
Oct.	87	120	130	121	131	119	130	113	118	133	153

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
3	1	3	1	3	2	3	2	4	-1
4	3	4	3	4	4	4	3	3	2
3	3	4	4	3	3	4	4	3	4
3	4	4	4	2	3	4	3	4	5
3	4	4	3	2	4	4	3	3	5
3	3	3	3	2	3	4	2	3	5
3	5	4	5	2	4	4	3	4	8
3	4	4	6	2	3	4	3	4	11
3	4	3	6	2	1	3	3	3	13
3	6	3	7	3	4	3	3	4	15
3	7	4	8	2	5	3	3	5	16
3	8	3	9	3	8	3	4	4	16
3	10	3	11	3	8	3	5	4	21
3	12	3	13	3	9	4	5	3	27
3	11	3	14	3	7	3	5	2	30
4	13	4	15	3	10	3	5	4	31
4	11	5	13	4	9	4	5	6	26
4	11	4	12	4	9	3	4	4	25
5	10	5	12	4	8	4	4	7	23
5	7	5	10	5	4	5	3	6	20
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1986-87

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Mar.	86	112	120	116	114	105	111	110	112	104	112	106	112	123	112	118	112	146	154	154	154
Apr.	86	113	122	117	115	107	112	111	113	104	111	106	115	122	114	119	113	144	156	157	158
May	86	112	121	117	115	106	112	111	114	104	111	107	115	123	116	120	114	145	157	160	159
June	86	112	122	117	115	107	112	111	114	104	111	106	114	123	116	121	115	146	159	162	162
July	86	113	122	117	116	108	111	112	115	104	112	107	114	123	116	119	114	149	161	163	166
Aug.	86	113	122	117	116	108	111	112	115	104	112	106	114	123	116	119	114	151	162	167	168
Sept.	86	113	123	117	116	108	111	112	116	105	113	107	115	124	119	120	117	152	163	167	169
Oct.	86	113	123	117	116	108	111	112	116	106	113	107	116	124	121	120	118	154	165	168	169
Nov.	86	114	122	117	116	108	112	113	115	106	113	107	116	124	123	120	119	156	168	169	170
Dec.	86	114	124	118	116	108	112	113	117	106	113	107	116	125	125	121	121	158	169	170	172
Jan.	87	114	125	118	117	108	113	113	117	107	114	107	115	126	128	121	121	159	169	174	172
Feb.	87	115	127	119	118	108	114	113	117	108	115	107	116	126	128	122	123	162	173	177	181
Mar.	87	115	128	120	119	108	114	114	118	108	116	107	117	126	134	123	124	160	174	180	179
Apr.	87	115	129	121	120	110	115	114	120	108	115	108	118	125	140	124	126	164	180	179	182
May	87	115	129	121	120	109	114	115	121	108	116	108	117	125	145	124	127	163	181	180	182
June	87	116	131	122	120	110	115	116	121	109	116	107	118	126	149	127	128	166	182	183	186
July	87	117	132	122	121	110	116	116	121	110	117	108	118	128	148	128	129	168	184	184	190
Aug.	87	117	133	123	121	111	117	116	121	111	117	105	116	128	150	127	130	170	187	179	184
Sept.	87	117	133	124	123	110	116	116	122	112	118		118	129	151	129	129	172	193	190	198
Oct.	87	118	131	124	120	110	117	117	119	112	118		117	130	152	128	128	172	194	190	199
Nov.	87	118	129			111												171	192		
		Growth Rates, Percent																			
Mar.	86	3	2	4	2	4	0	3	2	3	2	2	7	3	-2	6	-4	13	12	11	16
Apr.	86	4	4	5	2	6	1	4	5	3	0	2	10	2	1	6	-2	8	12	14	19
May	86	3	3	4	2	4	2	4	5	3	0	4	10	2	3	5	-1	9	12	16	18
June	86	2	4	3	1	6	1	4	5	3	1	2	7	2	4	6	1	9	13	16	19
July	86	3	4	2	2	6	0	4	6	3	2	3	6	2	4	2	0	11	13	16	22
Aug.	86	2	3	2	2	5	0	4	5	3	1	1	4	2	4	2	0	12	13	19	20
Sept.	86	3	4	2	2	5	0	4	6	3	3	2	5	3	8	2	4	13	12	15	18
Oct.	86	2	3	2	3	4	0	4	6	4	2	2	5	3	11	3	7	13	13	15	16
Nov.	86	2	1	1	1	4	1	3	4	4	2	2	4	2	13	1	8	13	14	13	14
Dec.	86	3	4	2	2	3	2	4	6	4	3	2	4	3	16	3	11	14	13	12	14
Jan.	87	2	5	2	3	2	2	3	5	4	4	2	2	4	18	2	10	13	11	15	11
Feb.	87	3	8	3	4	2	5	3	5	5	5	1	3	3	16	5	11	15	14	16	19
Mar.	87	3	9	4	4	2	4	3	6	4	6	1	3	3	23	5	12	10	13	16	14
Apr.	87	3	9	5	6	3	5	4	8	5	4	2	5	2	30	5	12	13	19	13	15
May	87	3	7	5	6	2	3	4	7	4	5	2	3	1	34	6	12	11	17	11	12
June	87	3	10	6	5	3	5	4	7	5	4	1	4	3	36	8	12	11	15	13	15
July	87	4	9	5	5	3	6	5	6	7	4	1	4	4	29	10	12	12	15	12	16
Aug.	87	4	10	5	5	3	6	4	5	8	4	-3	0	4	28	7	13	13	16	5	8
Sept.	87	4	9	6	7	3	4	4	6	7	5		2	5	25	10	9	13	20	16	22
Oct.	87	5	4	7	2	2	4	5	1	7	5		1	6	22	5	5	11	18	13	20
Nov.	87	4	1			3												8	13		
		Ten Year Annual Growth Rate, Percent																			
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7